

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **March 22, 2005 Work Session**

AGENDA ITEM NO.: 2

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION:

INFORMATION: **X**

ITEM TITLE: **General Assembly Wrap Up**

RECOMMENDATION: N/A

SUMMARY: Linda McMinimy will be present during Council's work session to provide a report on the activities of the recently completed General Assembly session. She has provided the attached information for your review.

PRIOR ACTION(S): None

FISCAL IMPACT: N/A

CONTACT(S): Kimball Payne, Walter Erwin

ATTACHMENT(S): Reports from Linda McMinimy

REVIEWED BY: lkp

**OVERVIEW OF 2005 TRANSPORTATION INITIATIVE**

The budget conferees agreed on \$848.1 million for transportation. \$347.6 million in new general funds, \$500.5 million in non-general funds. Of this \$189 million is recurring federal and state transportation revenue; the remainder is one-time general and non-general funds.

	<u>Budget Conference</u> (\$ in millions)	<u>Gov. Proposal</u>
Pay off project deficits (highways)	256.4	256.4
Service FRANs Debt	107.6	0
TTF Formula/6 yr. plan Allocations	141.1	123.4
State Road and bridge maintenance	97.4	97.4
Mass Transit Capital (statewide bus purchase \$5M)	75.0	80.0
Public-private partnerships	50.0	140.0
Revenue sharing/local partnerships (for counties, cities and towns)	75.0	80.0
Rail Fund	23.0	23.0
Upgrade State Welcome Centers	20.0	0
DMV Computer Systems	2.4	0
Take GF from transportation agencies	0	23.6
<b>TOTAL</b>	<b>\$848.1M</b>	<b>\$824.0M</b>

Elements of the Transportation Plans put forth by the Governor, the Senate and the House were incorporated into the budget actions. The following bills, associated with those plans did not move forward:

SB 1324 (Saslaw); HB 2736 (Reid); SB 1325 (Chichester); SJ 282 (Hawkins); HB 2771 (Callahan); HJ 742 (Wardrup)

**OTHER TRANSPORTATION LEGISLATION**

**TRANSPORTATION FUNDING**

Bill Number Patron	Bill Summary	Status
HB 2793 Wardrup	<b>Transportation Partnership Opportunity Fund.</b> Creates the Fund to be used by the Governor to encourage development of design-build transportation projects, projects under PPTA and for funds to address the transportation aspects of economic development opportunities.	House: Passed 95-0. Senate: Passed 40-0. Governor

### PPTA

SB 1108 Stosch	<b>Public-Private Transportation Act.</b> <i>Summary as passed:</i> Makes several revisions to the PPTA. Authorizes the establishment of an interim agreement to provide for partial planning and development activities while other aspects of a qualifying transportation project are being negotiated and analyzed. Also (i) authorizes a private entity to request approval of multiple RPEs in proposed projects involving multimodal transportation facilities, (ii) authorizes RPE's to enter into comprehensive agreements with multiple private entities, (iii) requires the RPE to protect confidential information submitted by a private entity, and (iv) adds factors that an RPE may consider when selecting proposals. Requires the Secretary of Transportation to revise existing state guidelines pertaining to the PPTA by 10/1/05 and includes a provision allowing application of the revisions made by the legislation to certain existing qualifying transportation facilities. The bill is identical to HB 2666.	Senate: Passed substitute 40-0. House: Passed substitute 92-2. Senate: Agreed with House. Governor:
HB 2666 McDonnell	<b>PPTA.</b> <i>Summary as passed:</i> Makes several revisions to the PPTA. Authorizes the establishment of an interim agreement to provide for partial planning and development activities while other aspects of a qualifying transportation project are being negotiated and analyzed. Also (i) authorizes a private entity to request approval of multiple RPEs in proposed projects involving multimodal transportation facilities, (ii) authorizes RPE's to enter into comprehensive agreements with multiple private entities, (iii) requires the RPE to protect confidential information submitted by a private entity, and (iv) adds factors that an RPE may consider when selecting proposals. Requires the Secretary of Transportation to revise existing state guidelines pertaining to the PPTA by 10/1/05 and includes a provision allowing application of the revisions made by the legislation to certain existing qualifying transportation facilities. <i>Incorporates HB 2442 (Saxman) and HB 2443 (Saxman). Same as SB 1108.</i>	House: Passed 96-0. Senate: Passed substitute 40-0. House: Agreed Governor:

### RAIL

HB 2596 May	<b>Rail Enhancement Fund.</b> <i>Summary as passed:</i> Establishes the Rail Advisory Board and changes the name of the Railway Preservation and Development Fund to the Rail Partnership Fund, and dedicates to this Fund part of <u>the state's portion</u> of the tax on motor vehicle rentals. Establishes a 9-member rail advisory board, appointed by the Governor, to develop recommendations to the CTB regarding allocations of funds from the Rail Enhancement Fund. The board will work with the state and affected railroads to identify, develop, and advocate for projects and policies to enhance the quality and use of rail transportation.	House: Passed (95-0). Senate: Passed substitute 38-0. House: Reject Senate sub. Conference: Substitute agreed to by House & Senate. Governor:
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### OTHER BILLS OF INTEREST

SB 746 Colgan	<b>VA Resources Authority.</b> <i>Summary as Passed:</i> Expands projects that can be financed through the Authority to include the design and construction of roads, public parking garages and other public transportation facilities, and facilities for public transportation by commuter rail.	Senate: Amended. Passed 40-0. House: Passed 98-0. Governor:
HB 1602 Fralin	<b>Environmental impact reviews.</b> <i>Summary as passed.</i> Any state agency, board, or commission that issues a permit required for a highway construction project must, within 15 days of receipt of an application, review it for completeness and either accept the application or request additional specific information from the VDOT. Also, unless a shorter period is provided for by law, regulation, or agreement, the state agency, board, or commission must, within 120 days of receipt of a complete application, issue the permit, issue the permit with conditions, deny the permit, or decide whether a public hearing is required by law. If a public meeting or hearing is held, it must be held within 45 days and a final decision as to the permit must be made within 90 days of the hearing.	House: Passed substitute 86-12. Senate: Passed substitute 40-0. House: Agreed with Senate. Governor:

HB 2084 Watts	<b>CTB.</b> Clarifies the roles of the CTB and gives local governing bodies greater flexibility when the latter administer VDOT-financed projects. The bill also corrects obsolete cross-references.	House: Passed 97-0. Senate: Passed 39-0. Governor:
HB 2605 Landes	<b>Use of federal "transportation enhancement" grants by CTB.</b> <i>Summary as passed:</i> The CTB Board shall, in accordance with federal law and guidelines for projects qualifying as "transportation enhancements," take such measures as may appear necessary or convenient to consider projects that will (i) address improvements to highway rest areas and welcome centers and (ii) accommodate anticipated quadricentennial tourism in Virginia.	House: Passed substitute 95-0. Senate: Passed substitute 40-0. House: Agreed with Senate. Governor:
HJ 689 Nixon	<b>Study; cost-effective toll collection.</b> <i>(As Passed):</i> Directs the Joint Commission on Technology and Science to study technologies available for cost-effective toll collection.	House: Passed. Senate: Amended. Passed. House: Agreed with Senate.

#### **DEFEATED/TABLED/STRICKEN**

HB 1563 Rust	<b>Assessment of fees by DMV on certain drivers.</b> Requires the DMV Commissioner to impose and collect fees on drivers under certain conditions. A portion of these fees, minus cost of collection, will be directed to the Transportation Partnership Opportunity Fund and the remainder will be directed to the Local Congestion Mitigation Incentive Fund. <i>Funding priority to non-attainment and high growth areas. Incorporates HB 1564 (Albo). Passed the House 57-40. Defeated in Senate Finance.</i>
SB 967 O'Brien	<b>Assessment of fees by DMV on certain drivers; use of fees collected.</b> Same as HB 1563. <i>Stricken at patron's request.</i>
HB 2330 Athey	<b>Special funds for highway improvements in localities.</b> Expands present revenue sharing fund program to include cities & towns. The annual match limit is raised to \$5 million per locality, and the total limit on state funds is raised to \$100 million. Up to 1/2 of local contributions may be proffers. <i>House amendments reduce the annual match limit to \$2 million and the total limit on state funds to \$50 million. Passed House 96-0. PBI in Senate Finance.</i>
SB 993 Devolites	<b>Special funds for highway improvements in localities.</b> Same as HB 2330. <i>Senate companion bill. Left in Senate Finance.</i>
HB 2630 Athey	<b>Special funds for highway systems in certain localities.</b> Expands the present revenue sharing fund program for counties to include cities and towns. <i>Tabled in House Transportation.</i>
HB 2658 Black	<b>Release of personal data by the DMV to toll facility operators.</b> Extends the sunset on 2004 legislation that allowed the Commissioner of DMV to enter into agreements with private toll facility operators or toll collection technology entities to enable them to obtain from the DMV personal information in order to conduct motor vehicle research relating to methods of electronic toll collection. <i>Tabled in House Transportation.</i>
HJ 527 McDonnell	<b>Constitutional amendment; highway &amp; transportation trust funds.</b> <i>Summary as passed the House:</i> Requires the General Assembly to maintain permanent and separate Transportation Funds to include the CTF, TTF, and Highway Maintenance and Operating Fund <i>Incorporates: HJ 541 (Marshall, DW) HJ 550 (Frederick); HJ 562 (Black); HJ 563 (Fralin); HJ 585 (Marshall, RG); HJ 642 (Plum); HJ 6433(Plum); HJ 717 (Sickles); HJ 771 (Albo). Passed the House. Left in Senate Finance.</i>

## 2005 TAX LEGISLATION: End of Session Status

March 18, 2005

### Sales & Use Tax

Bill Number Patron	Bill Summary	Status
SB 708 Chichester	<b>Sales &amp; use taxes.</b> <i>Summary as passed:</i> Reduces the rate of the state sales and use tax on food for human consumption to 1.5% beginning 7/1/05. Under current law the rate of the state sales and use tax on food is 3%, and is scheduled gradually to be reduced to 1.5% by 7/1/07. <i>Incorporates SB 751 (Edwards) and SB 1193 (Potts)</i>	Senate: Passed substitute 39-0. House: Passed 98-0. Governor:
HB 1638 Callahan	<b>Sales &amp; use taxes.</b> <i>Summary as passed:</i> Same as SB 708. . <i>Incorporates HB 1634 (Bryant); HB 1635 (Welch); HB 1875 (McDougle); HB 2017 (Hall); HB 2339 (Athey); HB 2421 (Parrish).</i>	House: Passed substitute 97-0. Senate: Passed 39-0. Governor:

### Local Tax Impact

HB 2679 Lingamfelter	<b>Local business taxes; appeals to court.</b> <i>Summary as passed:</i> Makes numerous changes to the appeals process regarding local business taxes. There is no requirement to "pay to play" in filing a judicial challenge of a decision of the State Tax Commissioner on an appeal of a local tax determination. Codifies the right of a locality to require payment in such cases when collection is rendered doubtful and provides explicit authority for withholding a refund ordered by the state Tax Commissioner during judicial review (initiated by the locality) of the decision. Also adds consumer utility tax disputes in excess of \$2500 (except wireless telecommunications services) to the list of appealable taxes. <i>Incorporates HB 2373 and 2374 (Ware).</i>	House: Passed substitute 95-0. Senate: Passed substitute 38-0. House: Agreed with Senate. Governor:
HB 2622 Byron	<b>Return of local surplus funds.</b> Allows any locality to develop a method for returning surplus real property tax revenues to taxpayers who are assessed real property taxes in any fiscal year in which the locality reports a surplus. Currently, this authority is granted to Albemarle County. <i>Incorporates HB 2861 (Black).</i>	House: Passed 97-0. Senate: Passed substitute 38-0 House: Agreed with Senate. Governor:
SB 1051 Wagner	<b>Local real estate tax relief programs.</b> <i>Summary as passed:</i> Changes authorized local real estate tax relief programs by (i) authorizing localities to use their median adjusted gross income of its married residents as a total income limit for eligibility, and (ii) authorizing localities to adjust the current net financial worth limit for inflation.	Senate: Passed 39-0. House: Passed substitute 98-0 Senate: Agreed with Senate. Governor:

### Other Taxes

HB 2880 Nixon	<b>Communications Tax Reform.</b> <i>Summary as passed:</i> Directs the Auditor of Public Accounts to determine the amount of revenues received by local governments from certain communications services taxes and fees for fiscal year 2005. As introduced the bill set a statewide "flat tax" rate on all telecommunications and cable type services, with funds distributed back to localities.	House: Passed substitute 90-7. Senate: Amended. Passed 39-0. House: Agreed with Senate. Governor:
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### DEFEATED (in bill number order)

Bill Number Patron	Bill Summary
SB 737 Reynolds	<b>Tangible personal property tax relief.</b> Reimbursements to localities will be paid in 12 monthly installments. Localities will provide personal property tax relief on qualifying vehicles equitably. The Comptroller will determine reimbursement payments by 4/30/06. <i>Left in Senate Finance.</i>

SB 781 Mims	<b>Reimbursement of personal property taxes.</b> A locality's share of the reimbursement for personal property tax relief will be determined based on total billings of the locality for the year 2005 as compared to the total billings of all localities for the same year. <i>Left in Senate Finance.</i>
SB 907 Norment SB 1138 Hanger	<b>Estate tax.</b> Conforms the amount of VA estate tax due to the maximum amount of the federal estate tax credit for state estate taxes. The bill effectively eliminates the Virginia estate tax. <i>Left in Senate Finance.</i>
SB 1100 Whipple	<b>Local government taxing authority.</b> Equalizes city and county taxing authority by granting counties the same authority available to cities. <i>Left in Senate Finance.</i>
SB 1137 Hanger	<b>Local cigarette taxes.</b> Allows counties to impose a local cigarette tax at the state cigarette tax per pack. <i>Left in Senate Finance.</i>
SB 1224 Bell	<b>Personal property tax relief.</b> Eliminates reimbursement payments from the state to local governments for providing tangible personal property tax relief on personal-use motor vehicles. <i>Left in Senate Finance.</i>
SJ 316 Norment	<b>Constitutional amendment; establishment of special funds.</b> Authorizes the General Assembly to establish a special fund for specified purposes and to dedicate a revenue stream to the fund. <i>P &amp; E sub incorporates SJ 381 (Howell). Left in Senate Finance.</i>
SJ 362 Wagner	<b>Constitutional amendment; local real estate tax relief.</b> Localities may exempt, defer, or freeze the real estate taxes of persons 65 or older or permanently and totally disabled regardless of annual income or financial worth. <i>Left in Senate Finance.</i>
SJ 383 Hanger	<b>Study; elimination of the tangible personal property tax on personal-use motor vehicles.</b> Study the most efficient & equitable way to eliminate the personal property tax on the first \$20,000 of value of personal-use motor vehicles. <i>Left in Senate Finance.</i>
HB 1490 Tata	<b>Estate tax.</b> Conforms the amount of Virginia estate tax due from an estate to the maximum amount of the federal estate tax credit for state estate taxes. <i>House Finance substitute incorporates HB 1874 (McDougle); HB 2008 (Armstrong); HB 2750 (Hall). Left in Appropriations.</i>
HB 1536 Frederick	<b>Car tax relief.</b> Removes the cap on the overall amount of car tax relief that was created by the 2004 General Assembly Special Session and restores the car tax relief program as it was originally enacted. <i>Left in Appropriations.</i>
HB 1654 Lingamfelter	<b>Car tax relief.</b> <i>Summary as passed by the House:</i> Removes the cap on the overall amount of car tax relief. Gradually increases the amount of car tax relief to 100% of the reimbursable amount. <i>Incorporates HB2257 (Bell) and HB 1536 (Frederick). Passed the House 73-21. Left in Senate Finance.</i>
HB 2066 Rust	<b>Car tax; dedication of income taxes to localities.</b> Repeals the car tax reimbursement program and replaces it by dedicating 17.5 % of the state individual income tax collections to localities. <i>Tabled in House Finance.</i>
HB 2257 Bell	<b>Tangible personal property tax relief.</b> Amends the personal property tax relief program effective 1/1/06, by establishing a reimbursement ratio to determine each locality's share of the \$950 million of total car tax relief. <i>Left in Appropriations.</i>
HB 2359 Watts	<b>Local piggyback income tax and personal property tax.</b> Allows localities to impose a local income tax on VA taxable income of individuals, trusts, estates, & corporations; if the personal property tax rate. <i>Tabled in House Finance 18-3.</i>
HB 2494 Louderback	<b>Personal Property Tax Relief.</b> Makes changes to the income tax and sales & use tax, increases the motor vehicle sales & use tax and reduces the sales price by the value of any trade-in, repeals local license taxes, eliminates the estate tax, eliminates accelerated sales tax payments by certain vendors, repeals the Personal Property Tax Relief Act. Specifies new income tax rates. <i>PBI with letter in House Finance.</i>
HJ 620 Cole	<b>Constitutional amendment; exclude privately owned motor vehicles from property taxation.</b> Exempts privately owned motor vehicles used for nonbusiness purposes from property taxes. <i>Passed House 57-38. Left in Senate Finance.</i>

Additional information on legislation can be obtained from to the General Assembly Legislative Information web site (<http://legis.state.va.us>). From the home page, go to Legislative Information Systems – Session Tracking – 2005 Session – Bills and Resolutions.

## End of Session Update on Legislation Affecting Lynchburg

## LEGISLATION INITIATED BY LYNCHBURG

Number Patron	Bill Summary	Status
HB 2369 Bryant	<b>Court orders permitting prisoners to work on certain property.</b> Removes the requirement that court orders allowing prisoners to work on state, county, city, town, and certain private property or nonprofit organization property be written specifically for individual prisoners.	House: Passed 96-1 Senate: Passed 39-0. Governor:
HB 2370 Bryant	<b>Deed of trust; utility easement.</b> Provides that, with regard to single-family residential property, the signing of a deed of easement by the grantor to a local governing body for purposes of public utilities shall not be deemed a breach. <i>The VA Bankers Association has pledged to work with the city on turn around time for easement access permission.</i>	Stricken from the docket at patron's request.
SB 1195 Lambert	<b>Sales and use tax exemption; public transportation.</b> <i>Summary as passed:</i> Restores a sales and use tax exemption for tangible personal property sold or leased to Alexandria Transit Company, Greater Lynchburg Transit Company, GRTC Transit System, or Greater Roanoke Transit Company that are owned, operated, or controlled by any county, city, or town, or any combination thereof, that provides public transportation services. Emergency: effective beginning 9/1/04.	Senate: Passed 39-0. House: Amended. Passed 98-0. Senate: Agreed with House. Governor:
HB 2599 Ware	<b>Sales and use tax exemption; public transportation.</b> <i>Summary as passed.</i> Same as SB 1195.	House: Amended. Passed 98-0. Senate: Passed 40-0. Governor:

## LEGISLATION PASSED

## Education

SB 1107 Stosch	<b>Public Private Education Act.</b> <i>Summary as passed:</i> Makes several revisions to the PPEA, which can be used for school construction projects. Authorizes the establishment of an interim agreement to provide for partial planning and development activities while other aspects of a qualifying project are being negotiated and analyzed. Also (i) requires the adoption of formal timelines for the review of proposals and outlining the process for review, (ii) provides for accelerated review for priority projects, and (iii) adds factors that a responsible public entity may consider when selecting proposals. The Chairs of the Senate & House General Laws Committees are to convene a work group to revise the current model guidelines by 9/30/05.	Senate: Passed substitute 40-0. House: Passed substitute 96-0 Senate: Agreed with House. Governor:
SB 779 Potts	<b>SOQ.</b> Requires local school boards to (i) implement a program of data collection & analysis and use the results in instructional program evaluation; (ii) implement any actions identified through the academic review of schools accredited with a warning; (iii) Report annually the results of industry certification exams; (iv) annually review professional development programs; and (v) report compliance with the SOQ annually. <i>Bill requested by State Board of Education to assist in dealing with local school boards that refuse to implement accountability standards.</i>	Senate: Passed substitute 38-0. House: Passed substitute 91-6. Senate: Agreed with House Governor:
HB 1762 Dillard	<b>SOQ.</b> <i>Summary as passed:</i> Same as SB 779.	House: Amended. Passed 98-0. Senate: Passed 40-0. Governor:



**Zoning/Redevelopment** (affects localities' control of their zoning processes)

SB 301 O'Brien	<b>Eminent domain.</b> <i>Summary as passed.</i> If property acquired by eminent domain is declared surplus within 15 years of the condemnor's being vested with title, the condemnor must offer to sell the property to the former owner at the original sale price plus interest at an annual rate of 6%, with price adjustments made for any improvements to the property.	Senate: Passed House: Passed Governor: Approved
SB 983 Watkins  Support	<b>Enterprise zones.</b> (Same as HB 2570) <i>Summary as passed: Reauthorizes and changes the EZ programs of 7/1/05.</i> New eligibility criteria targets program to economically distressed localities. 50% of the selection criteria for Zone designation will be based upon locality-wide measures including median family income, free and reduced lunches and unemployment. Over time the total number of zones will be reduced from 60 to 30. The number of sub-zones was increased from 2 to 3. Other changes; 1) the general tax credit will no longer be available for any newly qualifying businesses, 2) real property tax credits will be replaced by grants and will allow EZ benefits for property improvements to flow to investors in redevelopment and mixed-use projects. 3) The criteria for job grants have been modified to encourage jobs with benefits, job grants have been increased to a maximum of \$4,000. New retail or service businesses will not be eligible for job grants. Localities whose zones expired last year will compete for renewal this year for 6 available zones designations under newly established criteria.	Senate: Passed substitute 39-1. House: Passed substitute 96-2. Senate: Reject House substitute. Conference: Substitute agreed to by House & Senate. Governor:
HB 2570 Dudley	<b>Enterprise zones.</b> <i>As introduced same as SB983. Major difference between bill as passed by House was a two-year enactment delay. As passed the bill is the same as described for SB983 with enactment 7/1/05.</i>	House: Passed 91-5. Senate: Passed substitute House: Reject Senate sub. Conference: Substitute agreed to by House & Senate Governor:
HB 1820 Suit	<b>Eminent domain; right of entry.</b> <i>Summary as passed:</i> Changes the provisions associated with a condemnor's entry onto property: (i) expands the information provided in the initial request for permission to inspect and strengthens delivery requirements; (ii) requires that the notice of intent to enter be posted or delivered to the owner in person, as well as being sent by certified mail; and (iii) if the owner files an action to recover damages caused by entry and is awarded judgment in an amount 30% or more than the condemnor's final offer, or if the court finds that the condemnor maliciously or recklessly damaged the property, the court <u>may</u> award the owner reasonable costs.	House: Passed substitute 98-0. Senate: Passed substitute 38-0. House: Agreed with Senate. Governor:
HB 1821 Suit	<b>Eminent domain procedures</b> <i>Summary as passed:</i> Modifies the provisions associated with acquisitions under eminent domain by (i) requiring that the condemning entity's acquisition of real property be conducted in accordance with provisions that are only precatory under current law. If an owner is awarded at trial as compensation for the taking of or damage to property an amount that is 30 % or more greater than the amount of the petitioner's written offer, the court <u>may</u> award the owner reasonable appraisal and engineering fees, and reasonable fees and travel costs for up to 3 expert witnesses. Doesn't apply to cases involving easements valued at less than \$10,000 or in which a petition in condemnation or certificate of take or deposit was filed before 7/1/05.	House: Passed substitute 96-1. Senate: Passed substitute 38-0. House: Agreed with Senate. Governor:
HB 1922 Marshall,D W	<b>Sewer fees.</b> <i>Summary as passed:</i> Provides that certain sewer fees and charges shall be a lien on the property served only if certain procedures are followed including first obtaining a judgment against the lessee or tenant who contracted for the service. <i>Incorporates HB 2004 (Armstrong); HB 2563 (Marshall, DW).</i>	House: Passed substitute 98-0. Senate: Passed 37-0 Governor:
SB 1086 Ticer	<b>Boards of zoning appeals.</b> <i>Summary as passed:</i> Amends current variance provisions by authorizing zone administrators to grant modifications from zoning ordinance provisions with respect to physical requirements, such as size, height, location or other features related to any building, structure, or improvements. Contains provisions regarding the issuance of modifications and appeals from denials of modification requests. Applies to Norfolk & Richmond	Senate: Passed substitute 40-0. House: Passed substitute 98-0. Senate: Agreed with House. Governor:



HB 2159 Reese Oppose	<b>Board of zoning appeals.</b> <i>Summary as passed:</i> Rewrites the criteria for instances in which the zoning administrator may grant a modification, currently referred to as a variance, from the zoning ordinance by including requirements related to the size, height, location or features of any building on the parcel of land. <i>Incorporates HB 2152 (Amundson) and HB 2839 (Keister).</i>	House: Passed substitute 98-0. Senate: Passed 36-2. Governor:
HB 2377 Rapp	<b>Inoperable motor vehicles; civil penalties.</b> <i>Summary as passed:</i> Conforms civil penalty provisions for violations of inoperable motor vehicle ordinances to those currently existing for zoning violations.	House: Passed substitute 97-0 Senate: Passed 38-1. Governor:

#### ***Law Enforcement Compensation/ Retirement***

*There were numerous other House & Senate bills, all of which were tabled in House Appropriations: HB 1497 (Wright), HB 1699 (Spruill), HB 1673 (Cosgrove), HB 2240 (O'Bannon), HB 2594 (Weatherholtz), HB 2660 (McDonnell), SB 696 (Ruff - increasing maximum age), SB 878 (Wampler - Line of Duty Act)*

HB 1652 Tata Support	<b>Law Enforcement Officers' System and State Police Officers' Retirement System.</b> Eliminates the retirement option of 50 years of age with 10 years of service. The bill also makes technical changes.	House: Passed 99-0. Senate: Passed 38-0. Governor:
HB 1738 Cosgrove  HB 1793 Cox	<b>Line of Duty Act; disabled State Police officers.</b> As introduced, bills would have expanded and shifted the cost of a state death and disability benefit for law enforcement officers to localities. As passed, the bills maintain it as a state program and expand benefits for specific state law enforcement officers. Additionally, the Commonwealth would provide a \$20,000 benefit for family of any state or local employee who is killed in action in an armed conflict while serving with branches of the Armed Forces or National Guard.	House: Passed substitute 97-0. Senate: Passed substitute 40-0. House: Agree with Senate. Governor:
SB 873 Cuccinelli  Oppose	<b>Overtime compensation for law-enforcement employees.</b> <i>Summary as passed:</i> Expands the current overtime compensation provisions for fire protection employees to law-enforcement employees. Localities employing 100 or more law-enforcement employees shall be required to pay overtime at a rate of not less than 1 1/2 times the employee's regular rate of pay for all hours of work between the statutory maximum permitted and the hours for which an employee receives his salary, or if paid on an hourly basis, the hours for which the employee receives hourly compensation. The locality's police officers and deputy sheriffs must be counted together in determining whether the 100 employee has been exceeded.	Senate: Amended. Passed 25-15. House: Amended. Passed 90-6 Senate: Agreed with House. Governor:

#### ***Legislation Affecting Environmental Issues***

SB 810 Williams  SB 1235 Quayle  HB 2777 Louderback	<b>Water Quality Improvement Fund point source grants.</b> <i>Summary as passed:</i> Deposits \$50 million from the general fund into the Water Improvement Quality Fund on 7/15/05, to be used solely to finance the costs of design and installation of biological nutrient removal facilities or other nutrient removal technology at publicly owned treatment works designated as significant dischargers. The amount of financing available to the treatment facility will vary from 35% to 75% of project costs, depending on the financial need of the community. There are provisions for grants that exceed these categories and funds can be used statewide. The General Assembly and Secretaries of Natural Resources and Agriculture are directed by 11/30/05 to find a permanent source of funding to generate necessary future revenues. In addition, the moneys currently used to capitalize the Fund, 10% of the general fund surplus and 10 % of the unreserved general fund balance, will be distributed differently: 70% are to be used for implementing best management practices to reduce nitrogen and phosphorous nonpoint source pollution; 30 % will be disbursed for designing and installing state-of-the-art nutrient removal technologies for publicly owned treatment works that are designated as significant discharges. If future legislatures do not appropriate funding, the 70/30 nonpoint source/point source ration will not apply and will be instead allocated by the Sec. of Natural Resources in consultation with others.	Senate: Amended. Passed. House: Passed substitute. Senate: Reject House sub Conference: Substitute agreed to by Senate & House. Governor:  House: Passed substitute 98-0. Senate: Passed amended sub 40-0. House: Reject Senate substitute. Conference Substitute agreed to by House & Senate. Governor :
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SJ 380 Lambert	<b>Study; Lead poisoning prevention.</b> Continues the Joint Subcommittee for 1 year, with authority to hold 2 meetings	Senate: Passed 40-0. House: Passed 97-0.
HB 2168 Reese  Oppose	<b>Displacement of private waste companies.</b> <i>Summary as passed:</i> Adds requirements to the procedures localities must follow before displacing private companies providing garbage collection. These include making a written finding of at least one of the following: (i) privately-owned refuse collection services are not available; (ii) the use of privately-owned services has substantially endangered the public health or created a public nuisance; (iii) privately-owned services, although available, are not able to provide needed services in a reasonable and cost-efficient manner; (iv) or displacement is necessary to provide for the development or operation of a regional system of refuse collection or disposal for 2 or more localities.	House: Amended. Passed 98-0. Senate: Amended. Passed 25-15. House: Agreed with Senate. Governor:
HB 2192 Abbitt Support	<b>Siting of landfills.</b> <i>Summary as passed:</i> Reduces the distance that a landfill can be sited from a surface water and a groundwater supply intake or reservoir. Authorizes the Director of DEQ to issue a permit for landfill located in a wetland only under certain specific conditions. <i>Gives local governments greater flexibility in siting and expanding landfills.</i>	House: Amended. Passed 62-32. Senate: Passed substitute 27-13 House: Agreed with Senate. Governor:
HJ 640 Callahan	<b>Study funding options for Chesapeake Bay cleanup.</b> <i>Summary as passed:</i> Establishes a 7-member joint subcommittee to study options to provide a long-term funding source to clean up Virginia's polluted waters, including the Chesapeake Bay and its tributaries and to study state unfunded liabilities (underfunding of state pension and other benefits and the underfunding of the Virginia Pre Paid Tuition Program).	House: Amended. Passed 96-0. Senate: Passed substitute House: Reject Senate substitute. Conference: Report agreed to by House & Senate.

#### **Taxation**

***There were many bills introduced to affecting local taxes. Please see the Taxation attachment for details on these bills.***

#### **Transportation**

***Please see the Transportation attachment for details on the Transportation Packages from the Governor, the House and the Senate.***

SB 1223 Newman	<b>Speed limit on U.S. Routes 29 and 460.</b> The maximum speed limit will be 60 miles per hour where indicated by lawfully placed signs, erected subsequent to a traffic engineering study, on U.S. Routes 29 and 460 where they are nonlimited access, multilane, divided highways	Senate: Passed 37-0. House: Passed 96-0. Governor:
HB 2596 May	<b>Rail Enhancement Fund.</b> <i>Summary as passed:</i> Establishes the Rail Advisory Board and changes the name of the Railway Preservation and Development Fund to the Rail Partnership Fund, and dedicates to this Fund a portion of the tax on motor vehicle rentals.	House: Passed substitute (95-0). Senate: Passed substitute 38-0. House: Reject Senate sub Conference: Report agreed to by House & Senate. Governor:

#### **Other Bills of Interest**

SB 1159 Stolle	<b>Wireless E-911 Services Board.</b> <i>Summary as passed:</i> Amends the Board's enabling legislation to resolve a potential constitutional debt conflict. Removes the exemptions to E-911 deployment, excludes governments from the surcharge collection, and establishes July 1 as the deadline for late funding requests. Clarifies the appeals process and expands the Board's responsibilities to include development of a single, statewide electronic addressing database.	Senate: Amended. Passed 39-0. House: Passed substitute 94-0. Senate: Reject House sub House: Receded from position. Governor:
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HB 2407 Phillips	<b>Local comprehensive plans.</b> <i>Summary as passed:</i> Adds provisions regarding the elderly, persons with disabilities, age-restricted housing, nursing homes and assisted living facilities to the statutory guidelines for local comprehensive plans. Localities shall implement these provisions by 7/1/08.	House: Passed substitute 83-4. Senate: Passed 38-0. Governor:
SB 959 Wampler	<b>Telecommunications and cable television service by localities.</b> <i>Summary as passed:</i> Exempts from the mandatory disclosure requirements of the FOIA any public record of a local government that contains confidential proprietary information or trade secrets pertaining to its provision of telecommunications services and cable television service.	Senate: Passed substitute 39-0. House: Passed 97-0. Governor:
SB 798 Watkins	<b>Public utilities; landfill gas.</b> Increases, from 1 to 3, the number of commercial or industrial customers to which a company may sell or deliver landfill gas, or electricity generated from landfill gas, without being subject to regulation as a public utility.	Senate: Passed 39-0. House: Passed 91-0. Governor:
SB 894 Howell	<b>Grievance procedures for local departments of social services.</b> <i>Summary as passed:</i> Requires a local social service department to adopt a grievance procedure that is either (i) adopted by the locality, (ii) approved by the State Board of Social Services, or (iii) consistent with the state grievance procedure.	Senate: Amended. Passed 40-0. House: Amended. Passed 97-0. Senate: Agreed with House. Governor:
HB 2399 Phillips	<b>FOIA; exempting certain 911 calls.</b> Exempts from the mandatory disclosure requirements of FOIA, subscriber data collected by a local governing body in accordance with the Enhanced Public Safety Telephone Services Act	House: Passed 96-0 Senate: Passed 40-0. Governor:

**DEFEATED/TABLED/STRICKEN**

Number Patron	Bill Summary
SB 703 Reynolds	<b>Health insurance credit for retired teachers.</b> Increases the health insurance credit for retired teachers. <i>Left in Senate Finance.</i>
SB 765 Locke	<b>Animal license taxes.</b> <i>Summary as passed the Senate:</i> Animal license taxes. Establishes the maximum tax that localities can charge for each spayed or neutered dog or cat. <i>Passed Senate 27-18. Tabled in House Agriculture, Chesapeake &amp; Natural Resources.</i>
SB 809 Williams	<b>Water quality standards.</b> Requires the State Water Control Board, when adopting or revising a water standard or policy, to determine whether the adoption or revision is likely to require significant modifications to a large number of permitted facilities. <i>Left in Senate Agriculture.</i>
SB 811 Williams	<b>Adopting a chlorophyll standard.</b> Requires the State Water Control Board, when it considers the adoption of a chlorophyll standard or policy, to provide to the committees with jurisdiction over water quality matters a range of alternatives and an analysis of the benefits, detriments, and the economic and social costs associated with each alternative. <i>Left in Senate Agriculture.</i>
SB 840 Deeds	<b>Virginia Law Enforcement Officers' Retirement System.</b> Adds probation officers, supervisory probation officers, and directors of court services units to VALORS. <i>Left in Senate Finance.</i>
SB 850 Cucinelli	<b>Firearms; carrying on public property.</b> No person who lawfully possesses a firearm shall be prohibited from carrying such firearm on public property or the buildings thereon unless specifically prohibited by law. <i>Left in Senate Rules.</i>
SB 918 Blevins	<b>Law-enforcement officers retirement system.</b> Adds full-time salaried emergency medical technicians to the list of those who may receive benefits equivalent to those provided under the State Police Officers' Retirement System. <i>Left in Senate Finance.</i>
SB 958 Potts	<b>SOQ; speech-language pathologists.</b> Requires local school boards to employ speech-language pathologists in a manner to provide a ratio of one full-time speech-language pathologist for every 60 students. <i>Left in Education &amp; Health.</i>

SB 1129 Lambert	<b>Virginia Public Building Authority; museums and cultural and arts facilities.</b> <i>Left in Senate Finance.</i>
SB 1142 Hanger	<b>Recordation taxes; transfer to Virginia Water Quality Improvement Fund.</b> Provides that \$20 million of recordation taxes collected each year shall be transferred to the Virginia Water Quality Improvement Fund. <i>Left in Senate Finance.</i>
SB 1152 Stolle	<b>Retirement; deputy sheriffs.</b> Makes deputy sheriffs members of the VALORS by election of the locality for whom the deputy sheriffs serve. <i>Left in Senate Finance.</i>
SB 1221 Colgan	<b>Virginia Law Officers' Retirement System (VALORS).</b> Adds juvenile probation and parole officers. <i>Left in Senate Finance.</i>
SB 1240 Whipple	<b>Clean stream fee.</b> Requires localities to assess residences connected to a municipal sewer system, septic system, or other wastewater treatment system \$52 per year, and industrial facilities connected to a municipal sewer system \$1,200 per year. <i>Left in Senate Agriculture.</i>
SB 1337 Stosch	<b>Video Infrastructure Development.</b> Seeks to encourage video infrastructure development by equalizing franchise requirements for all competitors to use the public rights-of-way. <i>Left in Commerce &amp; Labor. A study committee will be formed to examine the issue of video competition.</i>
HB 1504 Shuler	<b>BPOL; license fees, rates and requirements.</b> Requires localities that impose the BPOL tax to (i) eliminate license fees and exempt the first \$100,000 of gross receipts from taxation by 1/01/07, and reduce the several different rates currently in the Code to a flat rate of 20 cents per \$100 of gross receipts for license years beginning on and after 1/01/06. <i>Tabled in House Finance.</i>
HB 1510 Shuler	<b>Virginia Public School Authority; grants for school construction.</b> Authorizes the VPSA to issue bonds to fund grants to local school divisions in the total amount of \$1 billion to pay the costs of school construction, school renovation, and other school infrastructure projects. <i>Tabled in Appropriations.</i>
HB 1766 Dillard	<b>SOQ; speech-language pathologists.</b> Requires local school boards to employ speech-language pathologists in a manner to provide a ratio of one full-time speech-language pathologist for every 60 students. <i>Tabled in Appropriations.</i>
HB 1771 Dillard	<b>School operations and business managers.</b> Amends the staffing requirements set forth in the SOQ to require the employment of school operations and business managers. <i>PBI in House Education.</i>
HB1783 BaCote	<b>Residue parcels of land.</b> Requires the CTB to offer residue parcels to the local governing body of the locality wherein the parcels are located before otherwise disposing of them. <i>Stricken from the docket.</i>
HB 1806 Marshall,RG <i>Oppose</i>	<b>Local condemnation authority; definition of public uses.</b> Amends the definition of "public uses" for which localities may exercise the power of eminent domain. <i>Tabled in Counties, Cities &amp; Towns. Letter from the Housing Study Commission to Study the issue.</i>
HB 1906 Baskerville	<b>Alternative education programs.</b> Amends Standard 1 of the SOQ to require school boards to establish alternative education programs for disruptive, suspended, and expelled students. <i>PBI in House Education.</i>
HB 2000 Griffith	<b>BPOL tax; gross receipts.</b> Changes name from license tax to gross receipts tax and repeals newspapers' exemption from the tax. <i>Tabled in House Finance.</i>
HB 2048 Callahan	<b>Virginia Public Building Authority.</b> Authorizes the VPBA to issue bonds in a principal amount not to exceed \$85,625,000 to fund and construct specific capital projects for museums and cultural and arts facilities in Virginia. <i>Left in Appropriations.</i>
HB 2355 Watts <i>Oppose</i>	<b>Highway construction funds; primary system allocations.</b> Allocates primary system construction funds among the nine highway construction districts on the basis of the ratio of vehicle-miles traveled on the primary system in each district divided by the number of primary system lane miles in each district, weighted 90 %, and a primary road need factor, as determined by the CTB, weighted 10 percent. <i>PBI in House Transportation.</i>
HB 2465 May	<b>Nonconforming billboard signs.</b> Clarifies that signs relating to historic districts and sensitive areas are excluded from the maintenance and repair guidelines of all other nonconforming billboard signs. <i>Tabled in House Transportation.</i>

HB 2534 Ingram	<b>Video Infrastructure Development and Competition Act of 2005.</b> Seeks to encourage video infrastructure development and promote the public interest in lower prices and higher quality video services by equalizing franchise requirements for all competitors to use the public rights-of-way. <i>Tabled in Labor &amp; Commerce. A study committee was created. Delegate Bryant to be a member of the committee.</i>
HB 2694 Pollard	<b>Clean stream fee.</b> Requires localities to assess residences connected to a municipal sewer system, septic system, or other wastewater treatment system \$52 per year, and industrial facilities connected to a municipal sewer system \$1,200 per year. <i>Tabled in Agriculture, Chesapeake &amp; N.R.</i>
HB 2696 Pollard	<b>Water Quality Improvement Fund grants.</b> Requires that at least 80% of the moneys in the Water Quality Improvement Fund be awarded in grants to finance the cost of design and installation of biological nutrient removal facilities or other nutrient removal technologies. <i>Stricken from the docket.</i>
HJ 616 Carrico	<b>Assessment of real property.</b> Beginning with the 2008 tax year, real property shall be assessed for tax purposes at no more than 105 percent of the assessed value of such property in the preceding tax year. <i>Tabled in House Privileges &amp; Elections.</i>
HJ 623 Saxman	<b>Unfunded state mandates.</b> Virginia is prohibited from reducing the state-financed proportion of the costs of any existing activity or service required of localities or mandating new activities or services without full funding. <i>Tabled in House Privileges &amp; Elections.</i>
HJ 639 Welch	<b>Study; constitutional officers.</b> Establishes a joint subcommittee to study the operations, functions, and funding of constitutional officers. <i>PBI in Rules.</i>
HJ 712 Byron	<b>Parental rights.</b> Provides that the God-given right of parents to direct the upbringing and education of their children is a fundamental right, subject only to those same limitations as other fundamental rights. <i>Stricken from the docket in House Privileges &amp; Elections.</i>

Additional information on legislation can be obtained from to the General Assembly Legislative Information web site (<http://legis.state.va.us>). From the home page, go to Legislative Information Systems – Session Tracking – 2005 Session – Bills and Resolutions.